

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Attleboro Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: October 17, 2018

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY19 (since the amount under the prior schedule was maintained in FY19) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.875% to 7.50% and a modification to the fully generational mortality assumption.

We commend the Board for adopting a schedule that completes the amortization of the unfunded actuarial liability by FY35. The FY35 date is two years earlier than the prior schedule and was adopted despite the assumption changes that increased plan liabilities.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

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ATTLEBORO CONTRIBUTORY RETIREMENT SYSTEM

FUNDING SCHEDULE

Fiscal Year	Normal Cost	Unfunded Liability*	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution**	% Change
2020	2,084,058	91,275,842	5,478,112	171,572	7,733,742	8.00%
2021	2,177,841	92,232,560	6,003,029	171,572	8,352,441	8.00%
2022	2,275,843	91,104,034	6,573,222	171,572	9,020,637	8.00%
2023	2,378,256	90,870,623	7,192,460	171,572	9,742,288	8.00%
2024	2,485,278	87,408,216	7,864,821	171,572	10,521,671	8.00%
2025	2,597,115	85,509,150	8,594,717	171,572	11,363,404	8.00%
2026	2,713,986	82,683,015	9,386,919	171,572	12,272,477	8.00%
2027	2,836,115	78,793,303	9,987,025	171,572	12,994,712	5.885%
2028	2,963,740	73,966,749	10,379,189	171,572	13,514,500	4.00%
2029	3,097,108	68,356,627	10,786,400	171,572	14,055,080	4.00%
2030	3,236,478	61,887,994	11,209,234	171,572	14,617,284	4.00%
2031	3,382,120	54,479,668	11,648,283	171,572	15,201,975	4.00%
2032	3,534,315	46,043,738	12,104,167	171,572	15,810,054	4.00%
2033	3,693,359	36,485,039	12,577,525	171,572	16,442,456	4.00%
2034	3,859,561	25,700,577	13,069,022	171,572	17,100,154	4.00%
2035	4,033,241	13,578,922	13,578,922	171,572	17,783,735	4.00%
2036	4,214,737	-	-	171,572	4,386,308	-75.34%

Amortization of Unfunded Liability as of July 1, 2019

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2020	Fresh Start	N/A	N/A	16	N/A	16

Notes on Amortization of Unfunded Liability

Year is the year the amortization base was established. **Type** is the reason for the creation of the base. **Original Amortization Amount** is the annual amortization amount when the base was established. **Percentage Increasing** is the percentage that the Original Amortization Amount increases per year. **Original # of Years** is the number of years over which the base is being amortized. **Current Amortization Amount** is the amortization payment amount for this year. **Years Remaining** is the number of years left to amortize the base.

* Includes recognition of the following asset gains/(losses) in Fiscal 2022 and 2024:

2022	\$	1,592,712
2024	\$	2,545,809

** Contribution is set to be the result of an increase of 8% over the prior year's contribution for the first seven years, followed by a 5.885% increase in FY2027, and 4.00% increases through FY2035.